



City Council



Marie Gilmore
Mayor



Rob Bonta
Vice Mayor



Doug deHaan
Councilmember



Beverly Johnson
Councilmember



Lena Tam
Councilmember



City of Alameda Budget and Forecast

Principal Officers

ELECTED OFFICIALS



Kevin Kearney, City Auditor



Kevin Kennedy, City Treasurer

CHARTER OFFICERS

City Manager, John A. Russo
Acting City Attorney, Donna Mooney
City Clerk, Lara Weisiger

EXECUTIVE MANAGEMENT TEAM

Assistant City Manager, Lisa K. Goldman
Deputy City Manager, Development Services, Jennifer Ott

Interim Fire Chief, Mike D'Orazi
Human Resources Director, Karen Willis
Library Director, Jane Chisaki
Police Chief, Michael Noonan
Public Works Director, Matthew T. Naclerio
Recreation and Park Director, Dale Lillard

Executive Director, Housing Department, Michael T. Pucci
General Manager, Alameda Municipal Power, Girish Balachandran



City of Alameda
2263 Santa Clara Avenue
Alameda, California 94501
(510) 747-4881

June 28, 2011

Honorable Mayor and Members of the City Council:

The City of Alameda's Annual Budget for Fiscal Year 2011-2012 and the Budget Forecast for Fiscal Year 2012-2013 provide a comprehensive financial framework for all City services for the next two years. The budget was prepared during the most difficult economic time the City has faced in years, with revenues stagnant and employee costs rising. Despite these challenges, the Annual Budget for Fiscal Year 2011-2012 is both fiscally sound and balanced.

Overview of the Proposed Operating Budget and Forecast

Structural Deficit Issues

At the March 31, 2011 budget presentation, staff presented a forecast that showed very difficult budget times ahead, with the City quickly spending all of its fund balance absent corrective actions. The proposed budget contained in this document shows that the situation has gotten worse, rather than better. The \$6.2 million deficit projected in March has grown to approximately \$7.5 million.

As discussed in March, the City is not facing a problem just this year. Rather, we will continue to face \$7 - \$9 million deficits through FY 15-16 unless significant, structural changes are made in the way we do business. The City Council and staff have been successful at reducing our budget without impacting the community too dramatically. Unfortunately, those days are over.

The budget reductions proposed and contained in this document will affect all City departments, and, more importantly, the entire Alameda community. The days of tinkering around the margins are over. We have made the easy cuts, and we have insulated the community to the best of our abilities. We no longer have that luxury.

The budget reductions staff is proposing for the upcoming fiscal year will not solve the entire \$7.5 million problem. In order to ensure a more measured transition to a reduced level of service citywide, the proposed budget also relies on the few remaining one-time solutions and the use of a portion of fund balance (or reserves) to ensure a balanced budget for FY 11-12.

Any decrease in the proposed budget reductions or in the use of one-time solutions will result in the need to further reduce the City's reserves. Because reserves are a finite resource, spending down the reserves is neither fiscally responsible nor a long-term solution. Moreover, it will leave the City vulnerable in the event of a major natural disaster or an even more dramatic downturn in the economy.

In order to preserve this community in the future, the City must take bold action now to reduce services and seek long-term solutions to the fiscal challenges facing Alameda.

Revenue and Expenditure Forecasts

The General Fund's major sources of revenue to finance operations include property taxes and other taxes, including utility user tax, franchise taxes, transfer, vehicle and hotel taxes. Together these revenue groups comprise 74% of total revenues for FY 11-12. The remaining 26% include revenues such as sales tax, departmental revenues, cost reimbursements from other funds, and other revenues such as interest revenues. Total General Fund revenues for FY 11-12, excluding the receipt of one-time funds, are projected to be approximately \$67 million, with a slight projected increase to \$68 million in FY 12-13. These revenue estimates are approximately \$5 million less than those for FY 10-11, which benefited from increases in the property transfer tax as a result of the sale of the Alameda Towne Centre and several other one-time revenues that the City received during FY 10-11.

Most of the General Fund revenues have been negatively affected by the ongoing economic downturn. The economy is expected to continue to remain weak over the next two years, and revenue recovery for cities will lag behind any recovery in the private sector. In fact, a full return to the prosperous revenue levels of a few years ago is unlikely in the near future. The revenue projections are based on staff's analysis of local conditions based upon information received from a number of sources, including the City's sales and property tax consultant; information provided by the County Assessor's and State Controller's offices; and the League of California Cities.

General Fund Expenditures, before any of the proposed reductions, are projected to increase to \$74.6 million (3%) in FY 11-12 and to \$74.9 million (<1%) in FY 12-13. The increase in expenditures is largely due to two main factors: increases in retirement rates and in health insurance rates. The California Public Employees Retirement System (PERS), which is the retirement system in which all full-time employees are enrolled, is increasing the rates it is charging the City of Alameda by 2% for Miscellaneous (civilian) employees and by 6% for Safety (sworn Police and Fire) employees. Health insurance rates are projected to increase for all employees by 14% this fiscal year.

Like many California cities, 66% of General Fund expenditures go towards Public Safety (34% for Police, 32% for Fire), with the balance allocated for a portion of Recreation and Parks, Public Works, administrative functions, transfers out for retiree benefits, capital and maintenance projects, and debt service on existing bonds.

Addressing Projected Deficits for Fiscal Year 2011-2012

Staff began working in late 2010 to develop options for addressing the City's fiscal challenges. In this budget, staff recommends a balanced approach that uses a combination of program cuts and service reductions (with accompanying staff reductions), the redesignation of funds previously set aside for discretionary capital improvements, and the use of a small amount of existing General Fund reserves. Even with the use of a portion of the reserves, the City is still able to maintain available reserves at a level of 21% of annual expenditures (\$15 million) at the end of FY 11-12, in accordance with prudent fiscal policies previously approved by the City Council.

Proposed Expenditure Reductions

In developing a balanced budget for Fiscal Years 2011-2012 and 2012-2013, staff focused on maintaining progress on important City goals across the organization, while looking for opportunities to save money by reducing expenditures in areas outside of core, street-level services to the greatest extent feasible. As discussed with the City Council at the May 31, 2011 budget workshop, all City departments were tasked with developing scenarios in which they reduced their budgets by 5% and 10%. Given prior budget reductions, this was a difficult process. Nevertheless, all of the departments worked diligently to put forth budget reduction options that, together, will help the City save more than \$3 million on an annual basis for the next two fiscal years.

A summary of the proposed reductions and other major changes for each department follows:

General Government: \$328K (7%) – The General Government departments include the City Council, City Manager's Office, City Attorney's Office, and the City Clerk's Office. The Information Technology function is a division within the City Manager's Office. The reductions in this area include reorganizations of the City Attorney's and City Manager's offices, a reduction in memberships for the City Council, and a reduction in contractual services for the City Manager's Office and the Information Technology Division. The City Clerk's Office assumed control of the City's cable studio during FY 10-11. Funds for this purpose have been added to the City Clerk's Office budget.

Administrative Services: \$195K (6%) – The Administrative Services departments include Human Resources and Finance. The Human Resources Department is reducing its use of contractual services and materials and supplies in order to meet its 5% target. The Finance Department will use in-house staff versus hiring an external consultant to prepare a fee and cost allocation study in FY 11-12. The department will also conduct a business license audit of unregistered businesses in FY 11-12. This audit will be completed by an outside consultant on a contingency basis.

Fire: \$800K (3.5%) – The Fire Department's minimum daily staffing requirements make large reductions difficult. Nevertheless, the Fire Department is eliminating one Deputy Fire Chief, reassigning the second Deputy Fire Chief to a Division Chief position, and eliminating several non-sworn staffing positions, for a total reduction of four full-time equivalent (FTE) positions. The department is also reducing its budget for materials and supplies.

Police: \$1.3 million (5%) – In order to preserve Police Officers on the street, the Police Department plans to outsource the Alameda Animal Shelter to a neighboring community, thereby saving more than \$700,000 annually, primarily through the elimination of five FTE positions. Although the Animal Shelter will still be served by two part-time Animal Control Officers and its dedicated volunteers, the services offered will be greatly reduced. In addition, the Police Department is eliminating four vacant Police Officer positions, including two from Investigations and two from Traffic. Taken together, the department will see a reduction of nine FTE positions.

Recreation and Park: \$325K (7%) in FY 11-12, \$458K (10%) in FY 12-13 – In order to preserve street-level services to the community, the Alameda Recreation and Park Department will take advantage of the impending retirements of its Director and Executive Assistant at mid-year by filling those positions at a lower level. In addition, the department will reduce its staffing by three additional FTE positions. Finally, the department will reduce the number of free after school playground program sites from ten to five.

Public Works: \$214K (15%) – The Public Works Department is primarily funded by monies outside the City's General Fund such as the Gas Tax Fund and the Sewer Fund. In order to reduce its General Fund spending, the department will reallocate its Traffic Operations program to its Gas Tax Fund. In addition, the department will reduce its staffing by three FTE positions. These three positions are funded across multiple funds. In addition, the Public Works Administration function, which is currently split between the Maintenance Services Center and City Hall West, will be consolidated at City Hall West. All phone calls and counter assistance will be handled at City Hall West.

Library: \$153K (7%) – The Library Department is primarily funded by special property tax revenues and a transfer from the City's General Fund. In order to reduce its General Fund support, the Library will reduce the number of open days at the branch libraries from five to four. The Library will also reduce the hours the Main Library is open during the week from ten to eight. Although no FTE positions are affected, the Library will reduce its part-time staffing to

accommodate these changes. A prior proposal to close the Main Library on Sundays was rejected by the City Council, and that cost of approximately \$10,000 has been added back to the budget.

Use of One-Time Funds and General Fund Available Reserves

To address the remaining \$4.3 million of the deficit for FY 11-12, staff is also proposing the use of the following one-time funds and reserves:

- Redesignation of Discretionary Capital Improvement Funds (\$2.6 million)
- Add back Golf contributions for six months (\$290K)
- Repayment of loan made to Fleet Industrial Supply Center fund for public safety services (\$480K)
- Use of General Fund Available Reserves (\$894K)

If all of the above items are implemented, the City's General Fund is projected to have available reserves of approximately \$15 million (21% of annual expenditures) at the end of FY 11-12. This meets the City Council's goal of maintaining a General Fund reserve level of at least 20% of annual expenditures.

Five Year Forecast

As previously mentioned, the downturn in revenues and projected increase in costs has resulted in staff projecting General Fund deficits ranging from \$7 to \$9 million annually during the next five fiscal years. Absent any corrective action, the City's available reserves will be exhausted during FY 13-14.

5 Year Projections for FY11-12 through 15-16 (In Millions) - without proposed changes

	11-12	12-13	13-14	14-15	15-16
Revenues	\$ 67.1	\$ 68.0	\$ 70.1	\$ 72.2	\$ 74.3
Expenses	74.6	74.9	78.7	81.0	83.4
Deficit For Year	\$ (7.5)	\$ (6.9)	\$ (8.6)	\$ (8.8)	\$ (9.1)
Ending Available Fund Balance	\$ 8.4	\$ 1.5	\$ (7.0)	\$ (15.8)	\$ (24.9)
% of Expenses	11%	2%	N/A	N/A	N/A

The five year forecast includes the following assumptions:

- Assumes revenue growth of 2-3% annually, versus average revenue growth of 6% that occurred between the 2003-2004 through 2007-2008 fiscal years.
- Incorporates new Miscellaneous and Safety Public Employee Retirement System (PERS) rates – Miscellaneous rates are projected to rise from 12.7% in FY 10-11 to 19.3% in FY 15-16, and Safety rates are expected to increase from 31% in FY 10-11 to 44.5% in FY 15-16.
- Assumes health and Retiree Health (Other Post-Employment Benefits) increases of 14% per year.
- Assumes no salary increases through FY 15-16; does not include any savings or additional costs that may result from any proposed employee memorandums of understanding (MOUs).
- Assumes 2-3% annual increases for all non-personnel expenses resulting from inflation.

If all of the reductions and use of one-time funds are approved, the City's financial picture will improve dramatically, although a significant amount of work remains, as available reserves are still projected to be exhausted by FY 15-16.

**5 Year Projections for FY11-12 through 15-16
(In Millions) - with reductions**

	11-12	12-13	13-14	14-15	15-16
Revenues	\$ 67.5	\$ 68.2	\$ 70.1	\$ 72.2	\$ 74.3
Expenses	75.0	76.0	78.7	81.0	83.4
Less Reductions	(3.1)	(3.2)	(3.6)	(3.7)	(3.8)
One-Time Funds	3.5	0.7			
Deficit For Year	\$ (0.9)	\$ (3.9)	\$ (5.0)	\$ (5.1)	\$ (5.3)
Ending Available Fund Balance	\$ 15.1	\$ 11.2	\$ 6.2	\$ 1.1	\$ (4.2)
% of Expenses	21%	15%	8%	1%	N/A

Potential State Impacts on the Budget

As in prior years, the State of California continues to wrestle with large budget deficits, and the Governor and Legislature have found it difficult to agree on ways to balance the State's budget. As a result, local governments must prepare their budgets with the knowledge that the State may take actions that will significantly affect their budgets in the future. The most significant challenge at the State level is the potential reduction or elimination of the City's redevelopment agency, a critical tool the City uses to create jobs, improve infrastructure, and build affordable housing. In January, Governor Brown proposed to eliminate redevelopment agencies statewide in order to save \$1.7 billion, a figure that the California Redevelopment Association deems grossly inflated. The Governor's proposal fell one vote short of passing in March. In mid-June, the State Legislature passed two budget trailer bills intended to eliminate redevelopment agencies. Although the Governor vetoed the main budget bill, it is not clear as of this writing whether or not the redevelopment elimination bills will be signed. Given this uncertainty, the City's budget assumes a 15% reduction in redevelopment funding, which has a significant impact on the CIC budget. Due to this reduction, combined with other existing CIC obligations, the CIC will be eliminating two FTE positions; eliminating annual contributions to the local business associations; reducing discretionary funds available for special events and catalyst projects; and minimizing discretionary repayment obligations.

There are several other items still being resolved at the State level that could have a significant impact on the City's budget:

- The elimination of State Police Citizen's Options for Public Safety grants (\$100,000 on an annual basis) due to the possible expiration of the increase in Department of Motor Vehicle (DMV) fees on July 1, 2011
- The deferral of revenues received from the State for reimbursements for mandated items (\$50,000)
- The reinstallation of jail booking fees by counties due to the possible expiration of the increase in DMV fees on July 1, 2011
- A reduction in funds received from the State for library operations by up to \$20,000

Staff will continue to monitor developments regarding the State's budget and will provide the City Council with an update should any additional changes to the budget become necessary.

Departmental Goals for Fiscal Year 2011-2012

In spite of the significant budget reductions noted above, the City's departments have a number of significant goals planned for FY 11-12 and beyond.

City Council

- Enforce fiscal sustainability in all City programs and services and consider options for reducing the City's Other Post-Employment Benefits liabilities.
- Evaluate management practices to ensure high-quality customer service to Alameda's residents and businesses.
- Continue to work with staff and the Alameda Unified School District to develop ways to jointly serve the Alameda community.
- Direct policy initiatives, as necessary, that focus on economic development and the health, safety and quality of life in the Alameda community.

City Attorney

- Provide high-quality, cost-effective legal services that are responsive to the needs of the legislative bodies and staff of the City of Alameda.
- Continue resolution of pending litigation matters at lowest possible costs to the City, while maintaining a strong City defense strategy.
- Offer legal and risk management services necessary to minimize City liability and exposure.

City Clerk

- Ensure compliance with the Brown Act, Elections Code, Fair Political Practices Commission regulations and the Public Records Act.
- Improve the availability of records and information on the City's website and in electronic format to achieve greater public accessibility.
- Provide accurate and impartial election information to candidates, campaign committees and the public.

City Manager

- Provide leadership in the development of solutions to the current fiscal challenges, including reducing costs, streamlining the organization, fostering economic development, exploring new revenue sources, and promoting interdepartmental cooperation.
- Work to transition the Chuck Corica Golf Complex from a City operated facility to a facility under long-term lease to a private golf management company.
- Continue to focus on the redevelopment of Alameda Point.
- In the wake of the State's actions to dismantle redevelopment, work to provide alternative funding sources to continue some redevelopment-related activities, such as business attraction and retention.

Finance

- Manage the financial resources of the City consistent with financial policies and budget principles established by the City Council.
- Provide accurate and timely budget and financial reports to City departments to assist in meeting departmental missions
- Work with an outside third-party consultant to conduct an audit of unlicensed firms conducting business within the City.
- Implement a revised cost allocation and fee study through the use of internal staff.

Human Resources

- Assist the Executive Management Team to plan, manage, and coordinate changes to the City organization that make it more adaptable to changing circumstances, operationally efficient, and fiscally healthy.
- Conduct and complete negotiations for fiscally responsible successor agreements with labor organizations whose contracts have or will soon expire.
- Review requirements of federal and state mandates to ensure that the City is in compliance.

Library

- Provide a broad and diverse collection of books and other library materials to meet the varied interests and needs of the community.
- Use new technology to optimize the development and delivery of library services.
- Provide library programs and publications to educate, enrich, and inform library users.

Recreation and Park

- Implement a number of facility improvements through the use of Proposition WW Bond Act funds, including the replacement of the recreation building in Krusi Park and replacement of the Encinal Boat Ramp restrooms.
- Continue to work with the local youth sports organizations and AUSD to explore options for increasing and improving athletic fields and other joint use opportunities.
- Assist in negotiating a long-term agreement for the operation and maintenance of the Corica Golf Complex.
- Complete the Park Master Plan.

Community Development

- Prepare and administer equitable and flexible land use plans, regulations, and programs that support viable and sustainable community development.
- Develop and implement policies and regulations that promote environmental sustainability.
- Provide funding and technical assistance through the Commercial Façade Assistance Program to approximately 18 - 20 small businesses to revitalize the City's historic Main Street districts and stations.
- Facilitate the reuse and redevelopment of former federal lands by effectively implementing contractual development documents for Alameda Landing and Alameda Point.

Fire

- Protect and preserve the lives and property of the residents of Alameda during emergencies.
- Enhance efficient service delivery through the use of new technology, improved training methods, and regional and community partnerships.
- Analyze and develop solutions to enhance emergency medical service delivery within the City.
- Evaluate options for restructuring the department's organization and operations to promote more efficiency.

Police

- Respond to Priority One and non-emergency calls for service within designated time frames.
- Enhance efficient service delivery through the use of technology.
- Increase efforts in traffic enforcement to reduce the number of pedestrian-related accidents.
- Continue operating the School Resource Officer Program, providing law enforcement liaison services to public high schools and middle schools.

Public Works

- Provide cost-effective planning, design, construction, and maintenance of public infrastructure that minimizes or reduces future operating costs and liabilities.
- Pursue local, regional, state, and federal funding opportunities to address deferred preventative maintenance needs.
- Support City operations with a safe, functional, and reliable fleet of vehicles through cost-effective maintenance and repairs and continue to incorporate alternative fuel vehicles into the City fleet.
- Plan, develop, and maintain a flexible and efficient multi-modal transportation system.

Capital and Maintenance Projects Proposed for Fiscal Year 2011-2012

Public Works is recommending capital projects totaling approximately \$13 million and maintenance projects totaling approximately \$4 million for FY 11-12, which include a variety of street, building, sewer, park, and traffic projects. The majority (59%) of the costs of the capital projects relate to sewer improvements required as a result of new wet weather sewer overflow mandates and Clean Water Permit requirements. The General Fund is scheduled to contribute over \$1 million during FY 11-12 towards the capital and maintenance project programs. The Capital Improvement Section of the budget provides additional details regarding the projects proposed to be funded for FY 11-12.

Taking the Next Steps in Addressing the City's Structural Deficit

As part of the May 31, 2011 budget study session, the City Council directed staff to immediately begin working on steps to tackle the structural deficits that the City will be facing in FY 12-13 and beyond. As part of this process, the City Council directed staff to begin negotiations with employee bargaining units regarding such cost-saving measures as furloughs; cost-sharing for PERS retirement, health premiums, and other benefits; a cap on City OPEB contributions for future retirees, and a two-tier system for future employees for PERS, health, and OPEB, and reductions in pay and staffing.

On the revenue side, the City will implement the results from the fee and cost allocation study that the Finance Department will conduct during FY 11-12. Staff will also hire a professional polling firm to conduct a survey of residents to determine their willingness to support various types of revenue ballot measures, including increases in sales and property taxes, transient occupancy and property transfer taxes, utility user taxes, and business license taxes:

Summary

In spite of decreased revenues, the City is able to present a balanced budget for the General Fund for FY 11-12 through a combination of significant, structural budget reductions, the use of one-time funds, and the use of a small portion of available General Fund reserves.

Unfortunately, the City's difficult fiscal challenges will not end with the passage of this budget. For that reason, staff will begin work in July to address the additional fundamental structural changes needed in the future, including negotiating with the City's labor groups and working with a professional polling firm to determine the community's level of support for various types of revenue measures.

This budget is the product of considerable time and attention over the past year to strategic, fiscal and operational planning by the City Council and City staff. In particular, thanks are due to members of the City's Executive Management Team and to the City Manager's Office and Finance staff who produce the budget document. These staff have contributed critical insights and untold hours of dedicated work to this major undertaking. Every manager in the organization was involved in a significant way in helping us develop a responsible and balanced approach to creating this budget.

On behalf of all City employees, we look forward to working with the City Council and the community as we implement this policy document. I am confident that the result of our efforts will be a continuing commitment to providing high-quality services to the Alameda community, albeit at a reduced level, investing in and maintaining facilities and infrastructure, and proactively responding to changing fiscal realities.

Respectfully submitted,

A handwritten signature in purple ink, appearing to read "Lisa Goldman", with a long, sweeping horizontal line extending to the right.

Lisa Goldman
Assistant City Manager



City of Alameda Budget and Forecast

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CITY OF ALAMEDA RESOLUTION NO. 14582

APPROVING AND ADOPTING THE OPERATING AND CAPITAL BUDGET
FOR FISCAL YEAR 2011-2012

Approved as to Form
City Attorney

WHEREAS, there has been submitted to and filed with this City Council at this meeting, a budget representing the financial plan for conducting the affairs for the City of Alameda for the Fiscal Year beginning July 1, 2011 and ending June 30, 2012; and

WHEREAS, the City Council has considered this financial plan at a duly noticed special meeting of the City Council; and

WHEREAS, the City Council has given this financial plan due consideration as to its projected revenues, anticipated expenditures and available fund balances; and

WHEREAS, this financial plan ensures that the City of Alameda, including all funds, entities and component units, has exercised prudent judgment in its fiduciary responsibility as guardians of the public tax dollars.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Alameda that said budget as submitted to the City Council at this meeting is hereby approved and adopted as the operating and capital budget for the City of Alameda for Fiscal Year 2011-12, and that the expenditure by each fund, department and program are hereby approved and authorized as the total appropriations for the Fiscal Year ending June 30, 2012.

* * * * *

I, the undersigned, hereby certify that the foregoing Resolution was duly and regularly adopted and passed by the Council of the City of Alameda in a regular meeting assembled on the 28th day of June, 2011, by the following vote to wit:

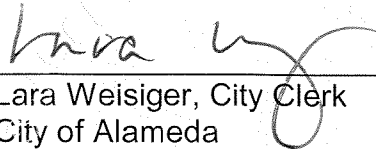
AYES: Councilmembers Bonta, Johnson, Tam and Mayor Gilmore – 4.

NOES: None.

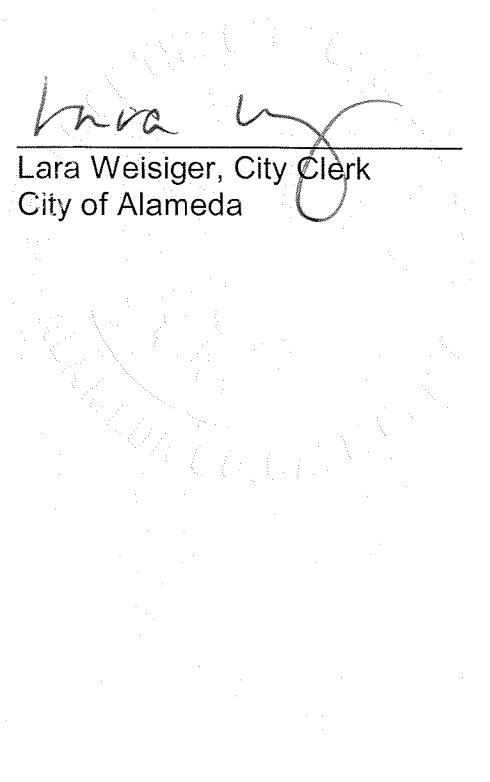
ABSENT: None.

ABSTENTIONS: Councilmember deHaan - 1.

IN WITNESS, WHEREOF, I have hereunto set my hand and affixed the seal of said City this 29th day of June, 2011.



Lara Weisiger, City Clerk
City of Alameda





City of Alameda Budget and Forecast

Mission Statement, Values, and Goals

CORE MISSION The mission of the City of Alameda municipal organization is to create and maintain a community where people can live, work, and play in a sustainable urban environment that is safe, vibrant, and aesthetically pleasing.

CORE VALUES Organizational core values reflect the operational principles by which management and employees provide the level of service the community expects and deserves.

Innovation Encourage new ideas that fulfill the policy direction of the elected officials and which meet the needs of the community in a creative and progressive manner.

Integrity Maintain high moral standards and ethical principles in all decisions.

Professionalism Strive for leadership in management, and in the training and development of the organizational workforce.

Flexibility Achieve a versatile and dynamic organization demanded by present economic realities.

Responsiveness Serve elected officials and the constituents they represent with mutual respect and sensitivity.

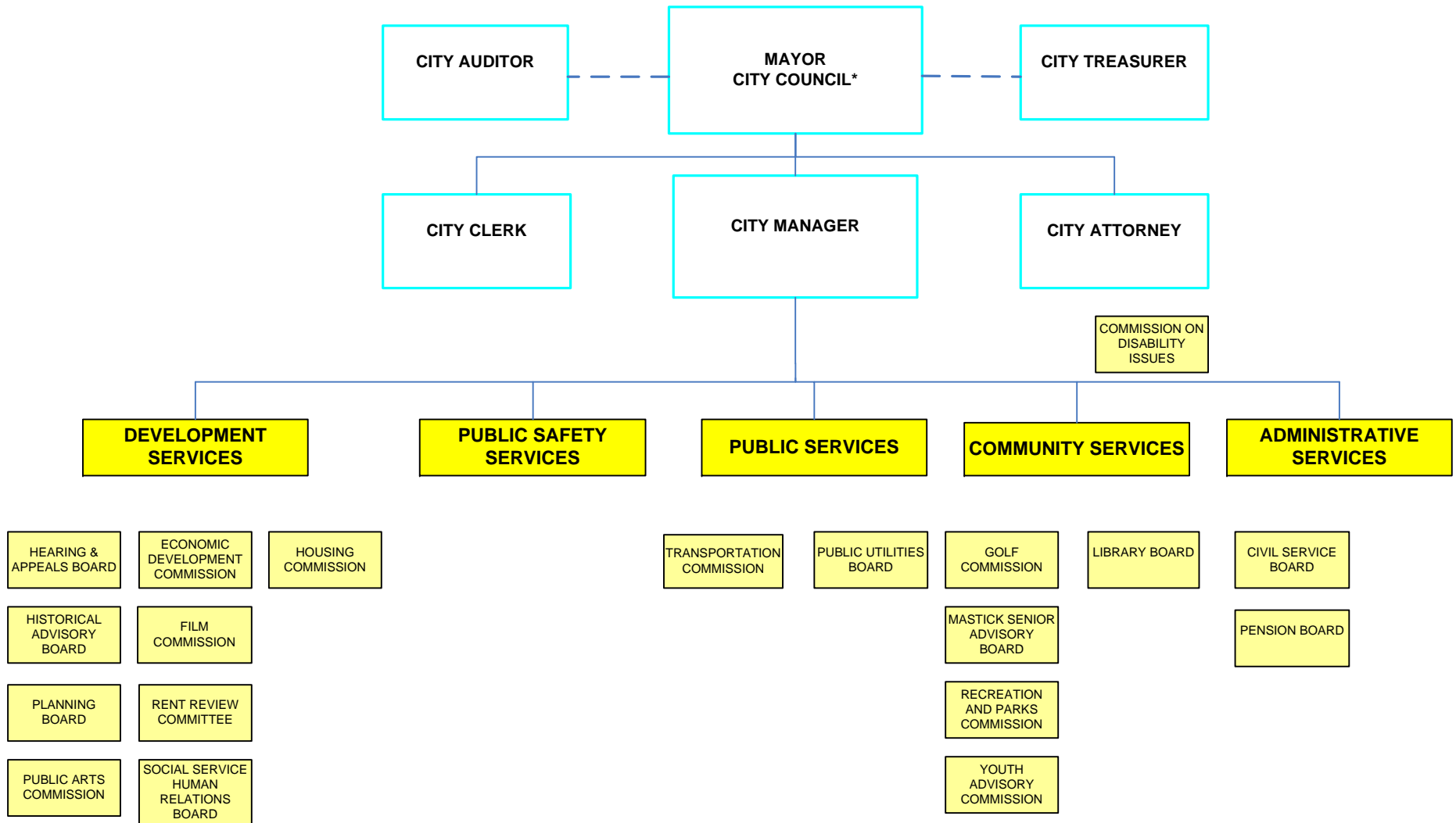
CORE GOAL To provide efficient and effective municipal services that support the organization's core mission.

Goals established by departments are driven by the department's mission. Goals are operational statements of broad direction or intent, based upon what a program expects to achieve sometime in the future. A goal provides a general description of an overall desired state. An objective is defined as a targeted outcome – something to be accomplished – in specific, well-defined and measurable terms. Goals are timeless; objectives are achievable within a specific time frame.

Performance measures gauge progress in achieving program objectives of efficiency and effectiveness in services provided. Performance measure refers to a specific quantitative or qualitative assessment of results obtained by a program.

Departmental goals, key program objectives and performance measurements have been incorporated into the budget and forecast for Fiscal Years 2011-2012 and 2012-2013.

City of Alameda



*Alameda Reuse & Redevelopment Authority (ARRA)

*Community Improvement Commission (CIC) and

*Housing Authority Board of Commissioners (HABOC)



City of Alameda Budget and Forecast

City Profile

The City of Alameda, incorporated April 19, 1854, is a 22.7 square mile island city located in San Francisco Bay. Alameda has a population of 74,683. In 1916, Alameda became a charter city and was one of six cities that were the first in California to adopt the Council-Manager form of government. Under this form, the City is governed by a five-member City Council. Programs and services are administered by a City Manager.

Location

The City of Alameda is seven miles east of San Francisco, situated within San Francisco Bay, and less than one mile west of the City of Oakland, directly west of Interstate 880. Alameda is a brief drive north of Oakland International Airport, which borders the City on the southeast.





City of Alameda Budget and Forecast

City Profile

Government Profile

The City Council is elected on a non-partisan basis. Councilmembers serve four-year staggered terms, with two Councilmembers elected every two years. The Mayor is elected to serve a four-year term. The Mayor and Councilmembers are elected at large, and subject to two elected term limits. The City Auditor and the City Treasurer are also elected by the voters. There is no term limit associated with these positions.

The City Council is responsible for passing ordinances; adopting the annual budget; approving the Mayor's nominees to boards and commissions; and hiring the three Charter offices of City Manager, City Attorney, and City Clerk. As chief executive officer, the City Manager provides the leadership and organizational direction for the operation and management of all City departments. The City Manager is responsible for implementing the policies and ordinances of the City Council, overseeing the day-to-day operations of the City, and appointing the heads of various City departments.

The City provides a broad range of services including police and fire protection; construction and maintenance of streets, parks, storm drains and other infrastructure; recreational and cultural activities, including a golf complex comprised of two 18-hole championship golf courses and one nine-hole executive course; and general government and administrative support services. Some major public services delivered within the City's boundaries, including water, wastewater, education, regional parks, and public transportation, are provided by other governmental agencies. The City of Alameda is not financially accountable for the operations of these franchises or government agencies.

Organization of City Government

The City of Alameda Charter establishes general government authorities in three defined Charter officers: City Clerk, City Attorney, and City Manager. The City Clerk serves as clerk to the City Council, responsible for maintaining an accurate public record of Council proceedings such as minutes, ordinances, and resolutions of the legislative body. The City Attorney serves as independent legal counsel to the legislative body in all its authorities, activities, and decisions. The City Manager is the chief executive officer of the City, responsible to the City Council for the management, administration, and oversight of the municipal organization.

The City organization is comprised of five major functional areas of service and program delivery: Administrative Services; Community Services; Development Services; Public Safety Services; and Public Services.

Administrative Services

Comprised of the municipal departments of Finance and Human Resources, this functional division of the City of Alameda provides support services to departments in personnel and financial management. Administrative Services includes payroll and accounts payable processing; employee and labor relations; budget and accounting support; mandated audit and compliance work as required.

The Finance Department also manages and administers the City's business license program and serves as staff support to the City's elected Treasurer and Auditor. The Human



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Resources Department oversees the City Employee Assistance Program (EAP), administers the citywide classification system, and supports the Civil Service Board, as required by City Charter.

Community Services

Community Services are provided by two separate operating departments – Library and Recreation and Park. The City of Alameda maintains a state-of-the-art library. Built in 2006, the library contains more than 203,000 volumes as well as VHS and DVD formatted movies and CD formatted music collections. It also provides rooms for meetings, study, and discussion groups. A computer-equipped training center, large children's section, and café are located at the main branch. The library also supports two branch libraries.

The Recreation and Park Department maintains 18 parks, which include 16 multi-purpose athletic fields (four with night lighting), one soccer field, and 16 tennis courts. The Chuck Corica Golf Complex, managed by Kemper Sports, has two 18-hole courses, a par-three course, a driving range, clubhouse, and pro shop. The Recreation and Park Department also maintains two dog parks, a skatepark, two boat launching ramps, the Albert H. Dewitt "O" Club, and two swim centers located at Alameda and Encinal High Schools. Social and recreational programming is offered for youth, teens, adults, and seniors at several of the City's recreational facilities, including the Mastick Senior Center, which provides programming for active senior adults, 50 years of age and over.

Also found within Alameda are beaches, bird refuges, bicycle and pedestrian paths, natural open space, extensive picnic areas, waterfronts, and more than eight miles of the San Francisco Bay Trail. The shoreline parks along the San Francisco Bay and the San Leandro Marina extend for more than six miles, offering spectacular views of the San Francisco skyline and the East Bay hills. Alameda has more than 3,400 boat slips among its numerous private marinas.

Civic and private groups in Alameda host various community arts including live theater, a community band, a historical museum, cultural activities and a diverse community of musicians, writers, craftspersons and artists. Throughout the summer, free concerts are scheduled in various locations. Farmers markets, street festivals, and sand castle contests are ongoing events.

Development Services

Development Services is comprised of the Community Development Department and the Housing Department. Planning, building, and economic development activities are managed by the Community Development Department, which is also responsible for supporting the City's Planning Board, Historical Advisory Board, Economic Development Commission, Public Art Commission, and Film Commission.

The City of Alameda has experienced development growth commensurate with state and national economic indicators. In addition to traditional development and redevelopment components, the City operates the Alameda Reuse and Redevelopment Authority, which is the



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entity overseeing the acquisition of the closed US Naval Air Station from the Department of Defense to complete the re-use of this property.

The functions of the Housing Department are administered by the City's Housing Authority, which is a component financial unit of municipal operations, whose budget is adopted by the Housing Authority Board of Commissioners, but is included herein as a component unit.

The City has three designated Redevelopment Project Areas under California Redevelopment law – the Business and Waterfront Improvement Project (BWIP), the West End Community Improvement Project (WECIP) and the Alameda Point Improvement Project (APIP), which are also administered by the Community Development Department.

Public Safety Services

The City provides full service public safety services through its Fire and Police Departments. The Fire Department provides fire suppression, paramedic, ambulance transport, fire prevention, and disaster services coordination. The Department operates four fire stations citywide – three on the main island and one on Bay Farm Island.

The Police Department manages comprehensive public safety services in patrol, traffic, and investigation, as well as safety-related services such as crossing guards. The Department also operates its own jail facility.

Public Services

The City offers comprehensive public services in utility and city infrastructure. Alameda Municipal Power (AMP) – the “greenest little utility west of the Mississippi” – was established in 1887, and provides electric services to Alameda residents. Water and gas utilities are provided by other agencies. AMP is a component financial unit of the City, per the City Charter. Its budget is adopted by the Public Utilities Board, but included herein as a component unit.

Public Works is a full service department that provides construction and maintenance for the City's infrastructure. Building and fleet maintenance are support services provided to other departments by Public Works staff. The City has a comprehensive capital project and capital maintenance budget for streets, sewer, parks, and transportation systems. The capital improvement budget is funded from a variety of sources including development fees; special revenues such as gas tax and redevelopment funds; and enterprise funds.



City of Alameda

Demographics and Statistics

General Information

Population	73,812
Area in square miles	22.7
Personal Income Per Capita	\$39,962
Unemployment Rate	7.3%
Number of registered voters	42,547
Number of Hospitals	1

Principal Employers

Alameda Unified School District
 Telecare Corporation
 U.S. Coast Guard
 UT Starcom Inc.
 Wind River Systems

Education

Student enrollment	8,704
Elementary schools	10
Junior high schools	3
High schools	4
Continuation schools	1
Independent study	1
Teachers (full & part time)	628

Top Sales Tax Generators

ABB Concise
 Kohls
 Nob Hill Foods
 Roseblum Cellars
 Safeway Corporation

Population Profile - U.S. Census Comparison Between 2000 and 2010

	<u>2000</u>		<u>2010</u>	
Total Population	72,259		73,812	
<u>Race</u>				
White	41,148	56.9%	37,460	50.8%
Black	4,488	6.2%	4,759	6.4%
Asian	18,894	26.1%	23,058	31.2%
American Indian, Native Alaskan	484	0.7%	426	0.6%
Native Hawaiian & Other Islander	434	0.6%	381	0.5%
Two or More Races	4,431	6.1%	4,420	6.0%
Other	2,380	3.3%	3,308	4.5%
	72,259			
<u>Ethnicity</u>				
Hispanic or Latino	6,725	9.3%	8,092	11.0%
<u>Sex</u>				
Male	34,689	48.0%	35,315	47.8%
Female	37,570	52.0%	38,497	52.2%
<u>Age</u>				
Under 5 Years of Age	4,057	5.6%	4,182	5.7%
5 to 17 years	11,477	15.9%	12,607	17.1%
18 to 64 years	47,120	65.2%	47,048	63.7%
65 years and over	9,605	13.3%	9,975	13.5%
Median Age	38.3		40.7	



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History

The City of Alameda is part of what became one of the most valuable land grants in California's history. In 1818, a 35 square mile area, then known as Rancho San Antonio, was transferred from the Governor of California to Luis Peralta. In 1842, Peralta divided the property between his four surviving sons. Antonio Maria got all of Alameda and much of Oakland.



Nearly a decade later, W.W. Chipman and Gideon Aughinbaugh, considered the city's founding fathers, became the first American settlers to arrive in Alameda. Their pursuits led to the establishment of a large peach orchard, signaling the beginning of the area's development. In 1853, the two men purchased the land that was to become the city, then a peninsula, for the sum of \$14,000. The town's name was changed to Alameda, the Spanish word for a grove of poplar trees.

On December 27, 1884, the City of Alameda was formally organized. On January 18, 1885, the Official Seal was approved and adopted. Its Latin inscription, *Prosperitas terra mari que*, freely translates as "Prosperity from the land and sea."

The Island of Alameda was created in 1902 when a tidal canal (the Estuary) was created, joining Oakland's harbor with the San Leandro Bay. With this move, Alameda made its mark as an important shipping port.

Alameda is now one of 82 charter cities in California. But in 1917, along with six other California cities, Alameda pioneered the Council-Manager form of government. The system proved so effective that virtually all California cities have since adopted this form of government. The City's present charter was adopted in 1937, last revised and updated in 1998, and Alameda's Civil Service System was created.

Today, Alameda's elected officials, City staff, volunteer Boards and Commissions and special committees work together to preserve and enhance the quality of life Alamedans have enjoyed for more than a century. Resplendent Victorian homes grace shade tree-lined streets covering the island's 12.4 square miles.

An invigorating climate, manicured parks, historical business districts, and numerous recreational opportunities offer Alameda's 73,812 residents (according to the 2010 Census) special living environment.

